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ABSTRACT

Results of a pilot test for a public relations campaign to assist in the distribution of funds from the settlement of a nationwide class action suit brought by tenants against the Department of Housing and Urban Development (HUD) are presented in this report. The first chapter presents the background of the case, noting that tenants of Section 236 public housing projects were made to pay for rising utility costs by increases in rent when HUD did not pay the required subsidies, which instigated numerous class action suits. Chapter two describes the process by which an advertising agency was chosen, including the final selection of the J. Walter Thompson Company, while chapter three outlines the plan for the pilot test. Chapter four describes the objectives for the test market media relations and notes the characteristics of the targeted audience. Chapter five looks at the public relations strategies for the test market cities: Albuquerque, New Mexico, and Peoria, Illinois. Chapter six looks at the implications of this survey's results, while chapter seven offers the results of the pilot test, including administrator and agency findings to the effect that while the public relations campaign failed to predict some tangential concerns, the pilot test was beneficial in determining the effectiveness of the campaign. (Footnotes, exhibits from the pilot test such as notices to tenants, graphs, letters, newspaper clippings, and 20 references are appended.) (JC)

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TEST MARKET MEDIA RELATIONS AS A PILOT TEST COMPONENT IN A NATIONWIDE CLASS ACTION SETTLEMENT DISTRIBUTION

Public Relations Cases 5970
Department of Journalism

by

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MARCH 1987

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Encouragement for this paper came from Douglas Ann Newsom, who included some of the author's work in her and Bob Carrell's text Public Relations Writing Form & Style, Second Edition, Wadsworth 1986.

Background of the case,
Organizations involved and their roles

The settlement of a major class action lawsuit brought by a group of subsidized low income housing residents against the Department of Housing and Urban Development forms the background for this paper. This action was reported in the October 25, 1978 edition of The New York Times.

In 1974, Congress had authorized subsidies intended to cover rising taxes and utility costs incurred by Section 236 project owners. These costs could not be recovered from tenants because they were already paying the maximum rents allowed by law. When HUD officials did not pay the project owners, the landlords raised rents and, in effect, collected the promised funds from tenants instead of from the Department of HUD.

HUD's inaction sparked more than 40 class action suits around the country on behalf of tenants, involving several years of litigation. As a result of some of the suits, HUD paid the subsidies. Other suits were held in abeyance pending outcome of the nationwide class action, Underwood v. Harris, and the

Connecticut statewide class action, Dubose v. Harris. On March 26, 1979, a $60 million settlement was agreed upon. A plan for distributing the fund was tentatively agreed to by U.S. District Judge John Pratt of the District of Columbia. The settlement affected 4,644 project owners and approximately a quarter of a million tenants or former tenants. By the time the suit was dismissed in January, 1984, over 150,000 claims had been certified and more than $45 million was paid out.

The public relations program carried out in the distribution phase of the settlement has since been used as a prototype for other class action distributions, among them a California statewide action against Levi Strauss and Company in 1980, and Betty Ann Boren v. the California Employment Development Department, a statewide class action dismissed in 1985. The PR program is also significant in its representation of the largest consumer class-action settlement distribution on record in the United States.

The responsible parties

The plaintiff's attorney in Underwood v. Harris, Patricia Tenoso, was senior counsel at the Western Center on Law and Poverty in Los Angeles at the time of the settlement agreement. To administer the settlement, the Western Center engaged the national accounting firm Price Waterhouse. Lawyers, judges and accountants, then, were the key players in the fulfillment of the settlement. Those chiefly responsible were:

U.S. District Court Judge Harry Pregerson. Judge Pregerson, U.S. District Court, Central District of California, had to approve all details of the distribution, since it was pursuant to the settlement of a class action lawsuit. Therefore, the most minute details of the resulting advertising and public relations program were presumed to be very important. The documentation of its services that would have to be submitted by the winning agency, according to Price Waterhouse's initial Request For Proposal (RFP) from advertising agencies, would have to include such measurements as:[1]

A. Total hours and cost spent by contractor and subcontractors.
B. Column inches in print media, both purchased and donated.
C. Minutes in broadcast media, both purchased and donated.
D. Any additional measures deemed important.

The final report issued to the Judge at the distribution's conclusion did not contain this information, but rather focused on the actual effort and the results in terms of claims received and processed. As priorities evolve in the course of any long-term project, it is presumed by the author that the successful final disposition of the distribution precluded the need for a detailed evaluation of staff time, publicity results, and advertising media, focusing instead on "additional measures deemed important."

Committee of Counsel. The Committee of Counsel consisted of Mary Burdick, executive director of the Western Center on Law and Poverty, Frederick B. McLane, partner, O'Melvany & Myers, serving on a pro

bono basis, James C. Sturdevant, litigator of Dubose v. Hills, and Patricia Tenoso, litigator of Underwood v. Hills. In essence, this group was the "client." They reported periodically to Judge Pregerson on progress of the settlement agreement. It was also recommended by public relations counsel that Attorneys Tenoso and Sturdevant be trained and utilized as media spokespersons for the Pilot Test and, if successful, for the subsequent nationwide media plan. This decision was made before the legal profession began to use public relations counsel as widely as it does today. It was thought at the time, however, that selected media appearances would provide a channel of communication between counsel and their clients, who consisted of a widely scattered nationwide class of low-income housing tenants or former tenants.

Price Waterhouse. Price Waterhouse, Peter B. Frank, partner, was responsible for management of the investment program, setting up the claims processing center, fulfilling all claims and hiring and supervising competent vendors to assist in appropriate tasks. Presently, Mr. Frank is Chairman of Price Waterhouse Litigation Services, a specialized unit which has gained a wide experience base in class action distributions.

J. Walter Thompson Company, Corporate Communications Division. This worldwide consumer advertising agency has many specialized organizations under one roof. One of them is the Corporate Communications Division, known today as Brouillard Communications. This Division specialized in corporate, as

opposed to product, communications,[2] and as such had a fully staffed public relations division. It was this division that made the winning presentation and carried out the public relations and advertising program, with the assistance of the market research arm of J. Walter Thompson, Walker and Struman.

Scope of this paper

The scope of this paper will be to describe events leading up to the execution of a nationwide public relations plan. This plan was a key component of the settlement agreement administration. Preparations for formulating and carrying out this plan began with a request for proposal (RFP) from advertising agencies, evaluation of those proposals by Price Waterhouse and Committee of Counsel, and the hiring of J. Walter Thompson Company's Corporate Communications Division as the public relations agent. They also included a controlled Pilot Test in two cities during which all aspects of the settlement distribution were tested and refined before a nationwide rollout of the campaign took place. These events took place chiefly between March and September, 1979. The carrying out of the nationwide media plan will be covered in a separate paper. To the author's knowledge, no previous papers have been written about the public relations aspect of this case.

The agency selection process

Initially, Price Waterhouse & Co. requested a highly structured response from agencies to which it had mailed RFP's. After discussions with these agencies, it was determined that written proposals could take on practically any form the respondee deemed appropriate. At this time, Price Waterhouse was seeking market research and advertising services, and had assumed the same company could provide both. The ultimate goal of the RFP's was to narrow the field to three finalists who would make oral presentations at the end of April. Vendors would then be selected by May 8, 1979.

The RFP briefly described the settlement. At this time the aggrieved class was described as "between 250,000 and 750,000 tenants who lived in approximately 4,500 housing projects located in all 50 states between February, 1975, and September, 1977."[3] The RFP also specified that the advertising firm have in-house market research capabilities and a demonstrated capacity to reach lower income, aged and minority markets. A media campaign was anticipated to help locate tenants who had moved, and to prompt

eligible claimants to submit claim forms. Agency respondents were asked to assume a $1 million total budget for this task, including fees, production costs, media purchase, public relations approaches and PSA's. The detail requested by Price Waterhouse amounted to virtually an entire campaign submitted on speculation.

The target audience profile of affected tenants was extracted from a report on Section 236 projects prepared for Congress by the General Accounting Office in January, 1978. Committee of Counsel believed this information to be highly unreliable; however, no other profiles were available. (See Exhibit 1.)

(Exhibit 1 here)

Proposal of J. Walter Thompson Company

One agency contacted was the aforementioned Corporate Communications Division of J. Walter Thompson Company, with offices in both Los Angeles and New York. The western region director, Bill Peniche, initially responded to the RFP by letter on April 6. After consulting with public relations account specialists in the New York office, he sent another letter on April 10. In the latter correspondence, he suggested for the first time that public relations could be a major component of the then-anticipated "advertising" program, and suggested a $150,000 fee to be spread over six months to cover time-of-staff.

Two firms were eliminated as a result of the initial proposals. Price Waterhouse summarized the proposals of the three remaining firms in a comparative grid, reproduced as the appendix to this paper. Their criteria for evaluation were divided into nine categories:

General comments on proposal
Proposed media mix
Unique media approaches proposed
Method of determining proper media mix for given region
Network for reaching major markets
Public relations work
Relevant experience with low income/elderly/ethnic minority target groups
Personnel
Fee structure

These evaluations were dated April 18. J. Walter Thompson gave little detail as to how it would handle the account, but it was noted in the general comments section that "the Western Regional Diector is a Mexican American and this accounts for his deep interest." Mr. Peniche, an experienced JWT salesman who had developed markets in Spain and South America for his agency's services, relied on his ethnic background and JWT's size to make the short list, and pursued the business vigorously by telephone. In a letter dated May 9, Mr. Peniche elaborated on the need for a full-scale public relations campaign, and on June 6, he followed up with detailed staffing recommendations. The initial project team would include two public relations account supervisors, one in Los Angeles and one in New York; one public relations account executive in Los Angeles, one creative supervisor in Los Angeles

and one management supervisor in New York.[4] The agency was subsequently assigned the task of formulating a public relations program with possible advertising elements. Agency attorneys requested indemnification against the possibility of fraudulent claims arising out of the campaign, but later discussions indicated this would not be necessary.

Plan for the Pilot Test.

Prior to its confirmation of the assignment, the agency became aware of plans for a pilot test of the claim form and claims processing procedures. Price Waterhouse had early on recognized that the documentation required to verify legitimate claims to the distribution would actually prove a hurdle to many of the parties legitimately entitled to rent refunds. In addition, the claims processing center, consisting of specially trained telephone operators and a complex computerized fulfillment organization, had to prove itself capable of handling a type and volume of response for which there was no known precedent. Addressing the complexity of the claim form packet, Price Waterhouse took the prudent steps of evaluating successive refinements of the claim forms with focus groups, utilizing a market research firm, before the public relations agency came on board. Addressing the claims handling procedure, they planned to mail claim forms to selected Section 236 projects and former tenants in early July. Price Waterhouse would evaluate and adjust claim forms and procedures used in the pilot test in advance of a nationwide mailing of claim forms and notices.[5]

It was during the preparations for PW's pilot test that the agency was consulted on possible pilot test sites. Price Waterhouse's criteria for the sites were to include as many as possible of the following:

*Large, medium and small Section 236 projects
*Inner city and suburban areas
*Projects with a large and small percentage of tenants who had provided forwarding addresses to the last projects in which they lived
*Senior citizen projects and other projects not specifically classed as elderly
*Projects appearing to be predominately Spanish (Cuban, Puerto Rican, etc.), Mexican, Black and Caucasian[6]

Thompson and other companies identified for the client several cities frequently used as market test sites for consumer products. Among these was Albuquerque, New Mexico, which met most of the criteria defined. Peoria, Illinois, was also selected, to represent a smaller Section 236 market and an Eastern/Midwestern population to complement the South/Western population of Albuquerque.

Prior to the pilot test mailing, a number of focus group interviews had been conducted to refine the content and organization of the claim form package. The statistical data generated from the test itself would suggest further refinements in the forms prior to the nationwide distribution. Data from the test would also aid Price Waterhouse in estimating the size and composition of the staff required to operate the claims processing center during the nationwide effort. They would project the pilot test staffing requirements onto the nationwide task using engineered work measurement techniques.

As initially planned, these pilot test activities did not anticipate public relations or paid media involvement. It was up to the agency to make recommendations in this area. (See Exhibit 2.)

(Exhibit 2 here)

Test Market Media Relations Objectives

By late June, the agency had formulated a test market media relations plan which would in effect test the use of public relations in notifying claimants under much the same conditions as the claim form and processing procedures would be tested. The objectives of such a plan, as presented within the agency on June 28, were to achieve a 50% response rate from an as yet undetermined pool of eligible claimants, to encourage cooperation from project owners and/or managers, to generate as much response as possible to test the automated claims system, and most importantly, to "enable refinement of projected resources needed to process claims on a nationwide basis."[7]

The target audience, while strictly speaking, had to live in Section 236 apartments between February 1, 1975. and September 30, 1977, was expanded for the purpose of the communications plan to include tenants of approximately 2-5 years in any Section 236 apartment. By expanding thus, it was recognized that the audience would have to qualify itself to some extent, since broadcast

media especially would not have the time to publish the inclusive dates of residence needed to qualify for the rent refunds. Also listed as target audiences were owners and managers of the projects, as well as members of the print and broadcast media covering the market areas.

Public Relations Strategies for Test Market Cities

At first it was decided to utilize the same strategies in each city, consisting of a news conference featuring a statement from one of the attorneys, and distribution of a press kit. Agency staff soon determined that a news conference would not be feasible in every city that contained Section 236 housing projects. Recognizing that Albuquerque contained a relatively high density of such projects, and that Peoria contained far fewer units, it was decided to use the respective cities as models of both a maximum and minimum effort that would take place in the nationwide campaign.

Media spokespersons

A strategy frequently used to supplement product advertising was brought into play in Albuquerque. This strategy is known as the media tour and involves arranging appearances for trained client spokespersons on TV and radio public affairs and talk programs. Upon meeting senior counsel Patricia Tenoso, agency staff determined that she could be an articulate spokesperson for the case she had litigated, Underwood v. Hills, and demonstrated

the ability to summarize the necessary information briefly and within the requirements of spot television news. Attorneys Tenoso and Sturdevant, who displayed the same quality, were given abbreviated training through the Telecommunications program of J. Walter Thompson, which provided extensive coaching to corporate executives anticipating possible television appearances on behalf of their companies.

Press conference

A press conference was set for Tuesday, July 24, 9 a.m. at the Albuquerque Hilton. Invitations to the press conference were mailed the week prior to city editors, news assignment editors, public affairs directors and news directors with press, radio and television. Bookings for public affairs and talk shows had been secured with three TV stations and three radio stations. Two additional radio stations promised to cover the press conference. Each station promising an interview was sent a letter of confirmation and a one page agency prepared biography of Patricia Tenoso.

Public Service Announcement

While bookings for the talk shows and preparations for the press conference were under way, the press kit was being prepared and attempts were being made to have taped public service spots ready to screen at the press conference. Agency staff in New

York attempted to contact popular Hispanic recording artist Freddy Fender and arrange a session through his producer, Huey Meaux of Sugar Hill Recording Studios in Houston. Several dates were set and intermediaries would return with the message that Fender was incapacitated and could not record the spots. There was still a desire to record a Hispanic PSA since it was widely recognized at this time that many low-income groups in America were functionally bilingual or non-English speaking. An attempt was made to contact another popular recording artist, Johnny Rodriguez, through his manager in Nashville, and management simply did not return the agency's calls. At this time it was decided to record an English PSA and overdub a Hispanic voice to have such a spot available.

To provide a tie-in with the content of the PSA, offering rent refunds to eligible claimants, agency staff attempted to utilize the talents of Norman Fell, who played a landlord on the than-popular television show "Three's Company." Mr. Fell agreed to tape the spots at CBS in Los Angeles during breaks in shooting the series episodes. The script called for him to stand in front of the notification poster and recite the message, which he did with absolutely no facial expression or voice modulation. The creative producer of the spots explained to agency staff that Mr. Fell was exhausted from taping his television program and had very little time to devote to recording the PSA's. The conditions of employing talent on a pro bono basis are seldom

optimal, and frequently involve sacrificing creative control. Nevertheless, the spots were aired extensively, presumably due to their inescapable public service significance. While arrangements were being made to prepare the PSA's for distribution, live announce copy with slides were submitted to public service directors in the pilot cities.

Press kit

Press kits to be distributed included an announcement release, "Renters May Obtain Refunds Under Largest Consumer Class Action Settlement" (3 pages), a fact sheet (3 pages), a profile of the lead plaintiff in the class action, Myrna Underwood (1 page), a biography of lead counsel Patricia Tenoso (1 page), a copy of the notification poster distributed to project managers with their claim form kits, a copy of "Questions and Answers for Tenants" in English and Spanish and a copy of the annual report of the Legal Services Corporation. The latter document described the corporation created by Congress to funnel legal services to those otherwise unable to afford legal counsel, through clinics such as the Western Center on Law and Poverty. Initially, it was thought that the media would be interested in the unique role of the legal services attorney in American society, as background information, but this did not prove to be the case. (See Exhibit 3.)

(Exhibit 3 here)

Arrangements were made with Jose Martinez, professor of law at the University of New Mexico, to provide translation of the press conference and interviews for Hispanic media. Three agency staff members arranged to arrive in Albuquerque Sunday evening, July 22. They would devote Monday to confirming all public affairs and talk show bookings, arrangements for the press conference and media attendance at the press conference. Followup after the press conference would continue until Thursday noon. The CBS bureau in Albuquerque agreed to monitor all television appearances by attorney Tenoso, and a clipping service was retained for both Albuquerque and Peoria.

Plan for Peoria pilot test

The plan for Peoria differed in one major respect from the one in Albuquerque: all Peoria media contact was to be handled by telephone and mail. In addition to the press kit assembled for Albuquerque, the Peoria press kit included a glossy photo of Ms. Tenoso and plaintiff Myrna Underwood standing by the notification poster. This photo could be used in the newspaper to draw attention to a print story if possible. On Friday, July 20, a press kit with cover letter was sent to six editors at five newspapers, news directors at two television network affiliates, the public affairs director at one public television outlet and news or program directors at five radio stations. Telephone followup on July 25 and 26 revealed that none of the materials had arrived, so the mailing was repeated. Live PSA copy with glass-mounted slides were also sent to three TV stations, with

copy only going to six radio stations. The designated stop date was given as September 16. The taped PSA's featuring Norman Fell were also ready by this week and forwarded to electronic media in Peoria.

From August 2 until August 8, the story ran on all media in Peoria. However, only five phone calls to the claims processing center were generated, as compared to 94 in Albuquerque. Many of the calls in Albuquerque were precipitated by media coverage of the story, but almost half the inquirers did not get the telephone number from stories they read or viewed and had to call other sources for the claim processing center 800 number.[8]

Peoria provided the initial example of reporter initiative in "localizing" the story, a trend which was thankfully to continue during the nationwide phase of the campaign. (See Exhibit 4.)

(Exhibit 4 here)

It had been hoped that each media market contacted would not have to be provided with lists of Section 236 projects in their area, simply because of the inaccuracy of much of the information from HUD and the additional time that would be required of public relations staff. A reporter with the local ABC affiliate contacted Peoria Housing Services for names of 236 projects, a 236 project manager and the regional office of HUD.[9] These resources enabled the reporter to name affected projects in the

station's viewing area, which extended outside Peoria to Galesburg and Normal, Ill, and to estimate the possible number of families affected. The soundbite from the project manager, however, was negative in tone, and typified the attitude of many 236 project managers.[10] Not unexpectedly, they were dreading the additional paperwork and administrative work that the settlement distribution implied. They were not require to assist, and in many cases the employers of project managers, who generally owned multiple low-income apartment complexes, did little to encourage compliance with the distribution. Since project managers could not per se be depended on to distribute claim forms in a timely manner, the importance of public relations efforts as a way of reaching tenants directly was underscored.

Follow-up surveys

In order to measure the success of the public relations strategies in Albuquerque and Peoria, agency staff felt there was a need to analyze claim form distribution, completion and return patterns, particularly as these patterns could be correlated with the impact of press and broadcast stories. Therefore, a follow-up survey was recommended. Walker and Struman Research, Inc. was retained to conduct 400 interviews in Albuquerque and 100 interviews in Peoria. The sample would consist of heads of randomly pre-selected households in Section 236 projects, providing a representation of "the overall awareness and

attitudes of residents" of such projects.[11] This information would supplement the project manager survey conducted by a member of the agency public relations staff in Albuquerque on August 22 and 23.

Public relations implications of the survey results

Agency staff was interested in many aspects of the claim form distribution other than merely the media efforts. Postal delivery was a factor in coordinating packet mailing with on-site receipt of packets by project managers. The extent of nominal compliance by project managers, e.g. responding to tenant requests, was considered important. Completing the notification loop, agency staff was interested in how managers publicized the refund procedure directly to their tenants and how aggressive tenants had been in obtaining and completing claim forms after they had called the telephone number provided in publicity about the rent refund. While these areas were not under direct supervision of the public relations staff, it was felt that better coordination would arise from an understanding of fulfillment logistics.[12]

Project Manager interviews

Walker and Struman's role with their market research capability was chiefly to advise Price Waterhouse on the design

of the claim form packet. The questionnaire for project managers, however, was designed by public relations staff, and provided insight for public relations planning. Of the ten project managers interviewed in Albuquerque, two had gone through their tenant records, found out who was eligible and given them claim forms. One manager had put up posters and agreed to put the word out; all other managers had made a general distribution of the claim forms, or would be within a few days. It was discovered that notification posters were prominently displayed at all projects in Albuquerque, including one under foreclosure. Several concrete suggestions were offered by project managers, ranging from more media coverage describing the various types of "low-rent" subsidies, to avoiding the use of colored paper which strains the eyesight of elderly tenants.[13] Much of the information derived contributed to agency staff understanding of the entire process, rather than just the public relations component. In addition, forwarding of the survey results to Price Waterhouse resulted in a number of recommendations from their project team, including revisions in the Owner's Guide. The project manager survey also revealed a high degree of tenant turnover among projects--as much as 36% of project tenants were considered transient. Price Waterhouse's response to this statistic was "J. Walter Thompson should re-evaluate its proposed media effort in light of the high turnover rates."[14] In other words, public relations would assume an increasingly larger role in the notification process.

Results of the Pilot Test

The Pilot Test was conducted during the period June 16 to September 15, 1979. It served a number of purposes, not the least of which was a way to evaluate the impact of a coordinated public relations campaign on awareness of the distribution and response to the opportunity to submit claims. The only precedent for such a distribution to date had been the $40 million Operation Moneyback, a multi-state rebate settling an antibiotics price-fixing suit. As a result of the Pilot Test, a large body of knowledge was developed that could contribute to the mechanics of a nationwide campaign, resulting also in "a high level of confidence concerning the adequacy of the approach that has been planned."[15]

The Walker & Struman surveys referred to earlier indicated that about 80% of the tenants in the pilot test cities were aware of the lawsuit, but only about 50% believed they qualified for the rent refund. In terms of actual claim response from Section 236 tenants and forwarding address tenants, the Albuquerque response rate was 30% and the Peoria response rate was 21%,

resulting in a composite response rate of 29% between the two pilot test cities. Based on a projected total initial distribution of 776,000 claim forms nationwide, and the ultimate 274,000 claims actually received during the nationwide campaign, the response rate would appear to have been an accurate but slightly conservative harbinger of the nationwide response.[16]

Administrator findings

Price Waterhouse, as administrator of the settlement distribution, found the public relations campaign to be "effective in terms of obtaining free print space and air time. Telephone response and field research in the test cities indicated that media coverage was a significant factor in promoting awareness of the distribution."[17] Further, Price Waterhouse stated that the claims process "was of newsworthy value," prompting the recommendation that the nationwide media campaign follow essentially the same format, as recommended by J. Walter Thompson.[18] One finding, that claimants tend to procrastinate or fail to mail their claims by a given deadline, prompted the recommendation to "prepare for a possible second media blitz to be used near deadline."[19] In fact, an extensive advertising campaign was brought into the picture as the January 31, 1980, deadline approached for initial filing of claims from the nationwide class.

Agency findings

The main observations of agency staff, contained in the situation analysis to the nationwide media plan submitted August 27, were that distribution of claim forms was chiefly dependent on the cooperation of housing project owners; that cooperation of apartment project managers was a major factor in publicizing the settlement; and that news media were helpful and resourceful in passing on the story and localizing it. There was no mechanism in place for monitoring the use of PSA's, but inquiries made to the pilot markets suggested that they were being aired with moderate to very good frequency.

The pilot test failed to identify side issues that might cloud the basic message of the rent refund. These issues, as anticipated by the agency staff, included possible issues related to HUD, legal services programs, or other class actions or refunds with which the HUD 236 refund might be confused. The agency concluded that "it is impossible to predict how our communications objectives might be affected by media coverage of related incidents."[19]

Overall, however, the Pilot Test was invaluable for preparing a nationwide media plan using chiefly public relations strategies. Pilot testing a public relations plan with a "live" media component thus proves to be a useful research strategy when the ultimate plan will be evaluated on results.

Footnotes

[1]Peter B. Frank, "Request For Proposal and Attachments," 27 March 1979, Los Angeles.

[2]"A Profile of the Corporate Communications Division," 1979, New York Office, J. Walter Thompson Company.

[3]Frank, "Request for Proposal and Attachments."

[4]William Peniche to Patricia Tenoso, 6 June 1979, Los Angeles.

[5]Peter B. Frank, "Western Center on Law and Poverty, Inc., Summary of Pilot Test Plan," 11 June 1979, Los Angeles.

[6]Ibid.

[7]Michael Pellecchia, "Suggestions for Western Center on Law and Poverty, Inc., Test Market Media Relations Plan," 28 June 1979, New York.

[8]Price Waterhouse, "Summary of phone calls as of August 10, 1979," Los Angeles.

[9]Michael Pellecchia, "Media contact originating in New York for Peoria test market," 16 August 1979.

[10]Sue Peters, news script, WRAU-TV, 2 August 1979, Peoria, Ill.

[11]William Peniche to Tim O'Shea, 27 August 1979, Los Angeles.

[12]Michael Pellecchia, "Media contact..."

[13]Phee Sherline, "Summary of interviews with Project Managers in Albuquerque," 28 August 1979, Los Angeles.

[14]Price Waterhouse, "Recommendations to nationwide distribution based on results of interviewing Albuquerque and Peoria 236 Managers," undated, Los Angeles.

[15-19]Peter B. Frank, "Western Center on Law and Poverty, Inc., Section 236 tax and utility subsidy settlement distribution Pilot Test Report," 27 September 1979, Los Angeles.

EXHIBIT 1

ATTACHMENT B

SECTION 236 TENANT PROFILE

This profile is extracted from a report on Section 236 projects prepared for Congress by the General Accounting Office and dated January 10, 1978.

A brief review of this data has led us to believe that the data is highly unreliable; however, at the present time it is the only information we have available. We solicit any cost effective recommendations for improving this profile.

Section 236 Tenant Profile

Ethnic and racial groups (1974)

- White/nonminority	72%
- Blacks	20%
- Spanish American	5%
- Other	3%

Age

- 19% are elderly (62 or over)

Employment

- 68% of all households have 1 or more members employed
- 83% of nonelderly households have 1 or more members employed.

Income

- Median household income $5,785/year
- Median household income for elderly $3,620/year
- Median household income for nonelderly $6,207/year
- Median household income for nonelderly minority $6,117/year
- Median household income for nonelderly nonminority $5,667/year
- 24% of all households are below poverty level

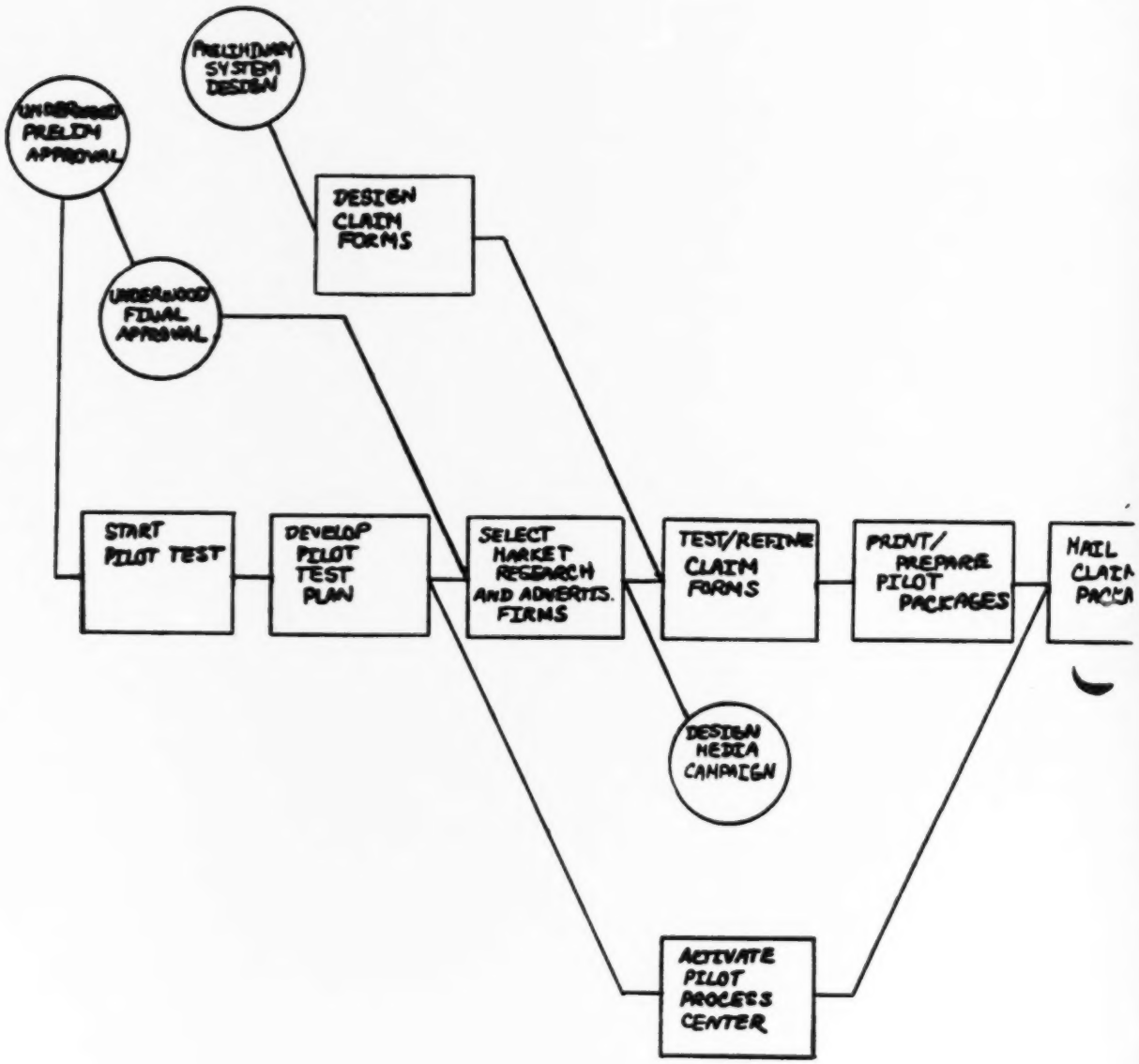
Housing Expenses

- Average monthly rent $144
- 64% to 68% pay in excess of 25% of gross income for rent
- 24% pay in excess of 35% of gross income for rent

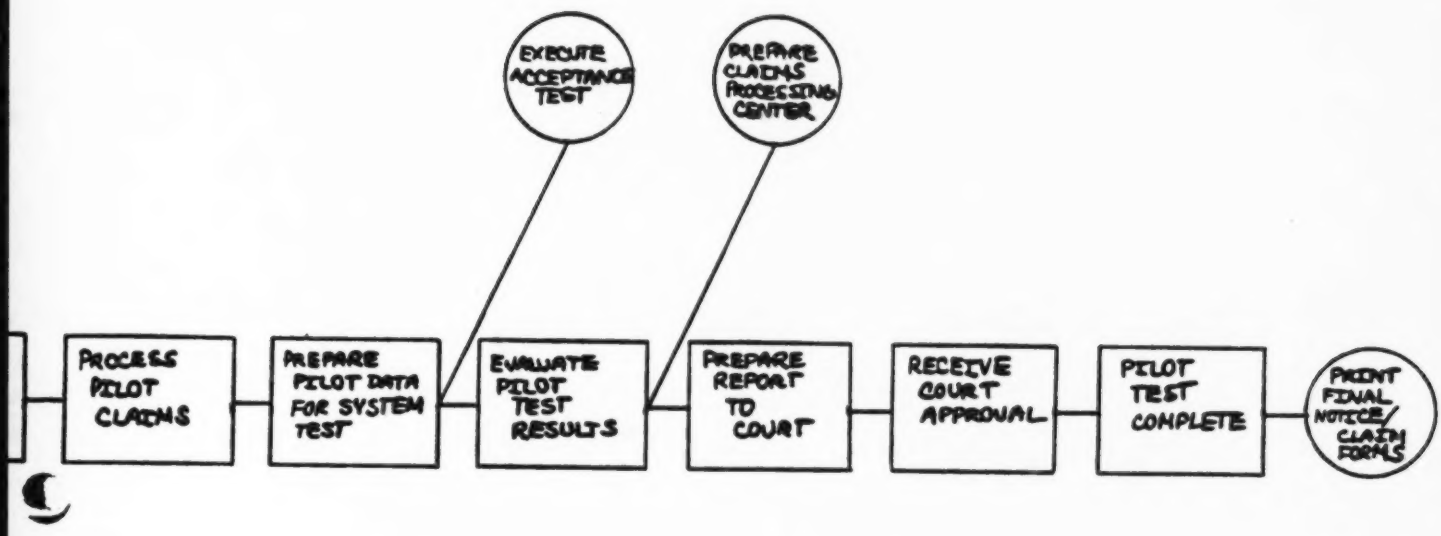
Location of § 236 Projects (1974)

- 83% located inside Standard Metropolitan Statistical Area
- 17% located outside Standard Metropolitan Statistical Area

EXHIBIT 2


PRELIMINARY SYSTEM DESIGN
UNDERWOOD PRELIM APPROVAL
DESIGN CLAIM FORMS
UNDERWOOD FINAL APPROVAL
START PILOT TEST
DEVELOP PILOT TEST PLAN
SELECT MARKET RESEARCH AND ADVERTIS. FIRMS
TEST/REFINE CLAIM FORMS
PRINT/ PREPARE PILOT PACKAGES
MAIL CLAIM PACK
DESIGN MEDIA CAMPAIGN
ACTIVATE PILOT PROCESS CENTER

TEST PLANNING NETWORK



= OTHER RELATED PROJECT ACTIVITIES

= PILOT TEST ACTIVITIES

EXHIBIT 3

J. WALTER THOMPSON COMPANY
NEWS
10100 Santa Monica Blvd., Los Angeles,
California 90067 (213) 553-8383

contact: Barbara Lawrence
Phee Sherline

July 24, 1979
FOR IMMEDIATE RELEASE

RENTERS MAY OBTAIN REFUNDS UNDER LARGEST CONSUMER CLASS ACTION SETTLEMENT

Albuquerque -- Current and former tenants of Section 236 housing projects may be able to benefit from a $60 million out-of-court settlement, the largest consumer class action settlement ever.

As many as 750,000 tenants are eligible if they paid excessive rents due to increases in tax and utility costs between 1975 and 1977, according to Patricia Tenoso, senior counsel, Western Center on Law and Poverty, Inc. (WCLP).

The $60 million agreement, approved by the U.S. District Court in March, ends a number of suits on behalf of Section 236 housing project tenants by legal service counsel throughout the U.S., including the nationwide class action suit brought by WCLP, a grantee of Legal Services Corporation, a Congressionally-funded public interest law firm.

Defendant in the suit was the U.S. Department of Housing and Urban Development (HUD) which granted the increases to owners and managers of Section 236 housing projects. HUD consistently refused to honor a Congressional mandate to distribute funds to the project owners and managers to subsidize increased costs. Tax and utility cost increases

were then passed on to tenants in the form of rent increases.

Tenants who resided in Section 236 projects nationwide anytime between February 1, 1975 and September 30, 1977 may be eligible for rent refunds under the settlement.

During the week of July 15, owners and managers of 11 Section 236 housing projects, totalling 1345 separate apartment units in Albuquerque, received claim form packets for distribution to their tenants in those units. According to the terms of the settlement, the U.S. District Court in Los Angeles also requests that owners and managers display an information poster in at least three conspicuous places on their premises. Contents of the poster were displayed today in a news conference in Albuquerque.

Owners and managers will also be required to certify their compliance to the Court, and to satisfy tenants' basic questions about whether or not they currently reside in Section 236 projects, and how they may obtain claim forms. Potential claimants have 60 days to respond.

"Many persons eligible to receive rent refunds for the period described do not realize that they are members of the class to whom the settlement has been awarded, " said Ms. Tenoso today. "The majority of these claimants probably still reside in Section 236 housing projects," she added.

-more-

A massive direct mail and media communications effort has been launched to locate members of the tenant class, who may be eligible for up to $500 in rent refunds from the $60 million HUD fund of excess rental payments by Section 236 tenants. Completion of distribution of the fund is set for late Spring, 1980.

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NEWS
10100 Santa Monica Blvd., Los Angeles,
California 90067 (213) 553-8383

contact:
Barbara Lawrence
Phee Sherline

July 24, 1979

FACT SHEET

Largest Consumer Class Action Suit

Settlement of the largest consumer class action suit in the nation's history -- Underwood v. Harris

Settlement directs the distribution of up to $60 million in rent refunds to tenants of HUD Section 236 housing projects in residence during the period February 1, 1975 through September 30, 1977. As many as 750,000 people in all 50 states may be involved

---

Background of Case

In 1968, Congress created the Section 236 housing program "to assist families with incomes so low that they could not otherwise decently house themselves." As a guideline, it was decided that no such tenant should have to pay more than 30 percent of his income for rent.

When costs began rising, project owners requested substantial rent increases. Consequently, rents for low income tenants rose well above the 30 percent mark.

Congress responded in 1974 by enacting a subsidy program to benefit both owners and tenants of these projects. The program was designed to subsidize that portion of the rent increase due to higher taxes and utilities.

Despite the mandatory aspect of this program, former HUD Secretary Carla Hills refused to pay operating subsidies until required to do so by court order.

Action Taken

Ms. Patricia Tenoso, senior counsel for the Western Center on Law and Poverty, a public interest law firm in Los Angeles, acted on behalf of Myrna Underwood, a Section 236 residen in Carson, California.

The Western Center on Law and Poverty, Inc. (WCLP) is funded by the Legal Services Corporation. This corporatio was created by Congress in 1974 to aid the 29 million poor across the nation. Groups similar to WCLP exist in all states).

Before filing the Underwood case, Ms. Tenoso and other Center attorneys knew of approximately 40 pending cases against HUD with up to 10 counts rulin in favor of tenants.

It became clear that tenants nationwid had been deprived of subsidies that were legally theirs.

In June, 1976, the Court certified tha Underwood v. Hills (Carla Hills was Secretary of HUD---she has since been replaced by Patricia R. Harris) was nationwide class and granted judgment for the tenants against HUD.

How Section 236 Tenants Will be Notified

It is estimated that some tenants involved still live in Section 236 projects. Claim forms will be made available through project managers.

Notices in English and Spanish will be placed in highly visible spots throughout buildings to urge tenants to find out if they are living in a Section 236 project, and to pick up applications if they have lived in one during the time designated.

How Other Eligible Claimants may be Reached

Among current Section 236 tenants are those who will not see notices, and those who do not realize that they are living in, or have lived in, Section 2 housing. To reach those tenants as well as former tenants who have relocated throughout the nation, news media will be requested to urge their audiences t ask, "Do I live in a Section 236 project?" Did I live in one during the specified time period?"

Monies to be Used for Refund	Refund monies do not involve public tax dollars. The source of funds is a special reserv fund made up from a portion of the rent paid by residents with higher incomes. This fund was enacted by Congress and designed for use on behalf of low incom tenants.
Distribution Controls	Settlement procedures have been as elaborate as those of litigation. Precautions taken to reduce the incidence of fraudulent claims include the following: a. A five-level claim review procedure involving manual checks and information cross-checking. b. Court approval required for final distribution. c. Unlike State welfare systems, this one-time distribution will not be made until all legitimate claims are thoroughly checked to the satisfaction of the Committee of Counsel and the United States District Court.
Deadlines	Claimants must send in applications before September 15. TO RECEIVE APPLICATIONS (for those not now living in Section 236 housing) Write: Clerk of the U.S. District Court Department TPT P.O. Box 3613 Los Angeles, California 90051 Or Call: (213) 625-1243 or (213) 625-1244 Collect

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10100 Santa Monica Blvd., Los Angeles,
California 90067 (213) 553-8383

contact: Barbara Lawrence
Phee Sherline

PATRICIA TENOSO

As lead counsel in the nationwide class action suit against HUD, Underwood v. Harris, Patricia Tenoso is primarily responsible for administration of the $60 million out-of-court settlement of this largest-ever of the increasing number of consumer class actions being filed on behalf of the nation's poor and underprivileged.

Currently senior counsel, Western Center of Law and Poverty, Inc., a grantee of the Congressionally-funded Legal Services Corporation, Ms. Tenoso has represented low income individuals and classes in the areas of housing, unemployment, insurance and consumer affairs since 1972. Before joining WCLP in 1975, she was staff attorney with the San Fernando Valley Neighborhood Legal Services, Inc.

Among her past clients have been inmates of Sybil Brand Institute for Women, a Los Angeles prison facility, and veterans threatened by the Veterans Administration with loan foreclosure.

She is a graduate of the Los Angeles School of Law (UCLA) where she earned membership in the Order of the Coif, a student lawyers' honor society.

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Barbara Lawrence
Phee Sherline

July 24, 1979

PLAINTIFF PROFILE

The first "named" plaintiff in history's largest consumer class action lawsuit was Myrna Underwood who resides in a Section 236 housing project in Carson, California.

In her late forties, Underwood supports herself and four children. At the time her lawsuit was filed in March, 1976, she was receiving unemployment insurance benefits of $464 a month. Her rent had just been increased to $200 a month. She had previously been charged a 10% rent increase in late 1974 and both rent increases were substantially caused by increased tax and utility costs. To pay her rent, she had to cut back on food and medical treatment for herself and her children.

Her rent was increased a third time to $282, again largely because of escalating tax and utility costs. Although she found employment, she still paid nearly one-third of her income for rent and had inadequate funds for her family's support. She estimates that her rent overcharges during the time covered by the lawsuit amounted to about $30 a month.

SECTION 236 RENT REFUND INFORMATION

QUESTIONS AND ANSWERS FOR TENANTS

1. WHAT WAS THE LAWSUIT ALL ABOUT?

In 1974, Congress required that the U.S. Department of Housing and Urban Development (HUD) pay subsidies to Section 236 housing project owners to offset rising utility and property tax costs. The Secretary of HUD refused to authorize the payments. Many project owners then passed the utility and tax increases along to the tenants in the form of higher rents.

Several lawsuits by tenants were brought against HUD to recover some of these increases. The attorneys representing the tenants are in the process of administering the distribution of the $60 million settlement to all eligible tenants and some eligible owners.

2. HOW WILL I KNOW IF I AM ELIGIBLE?

In general, you will be eligible to share in the $60 million settlement *if you lived in a Section 236 project for any period between February 1, 1975 and September 30, 1977, and meet the income guidelines.* Your actual share of the settlement fund is determined by (1) the Section 236 project in which you lived, (2) how long you lived there, (3) the amount of rent you actually paid, (4) any rent subsidies from which you benefited, (5) the income of your entire household, and (6) the utilities which you paid.

To determine your own eligibility, you must complete the Worksheet page of the Claim Form Packet.

3. HOW MUCH MONEY WILL I GET BACK?

The amount any eligible tenant gets can range from a few dollars to several hundred dollars. The actual amount will depend on several factors, including those mentioned in Question No. 2.

4. WHEN WILL I GET MY MONEY IF I AM ELIGIBLE?

Settlement payment checks will be mailed around April 1980.

5. WHAT IS THE LAST DATE I CAN SUBMIT AN OFFICIAL CLAIM FORM?

All Official Claim Forms must be postmarked by September 15, 1979 if it is to be processed.

6. WILL I HEAR FROM THE ATTORNEYS AFTER I SUBMIT MY OFFICIAL CLAIM FORM:

You will receive a letter *only if it has been determined that you are not eligible or if more information is needed from you.* Otherwise, you will only be receiving the settlement payment check.

7. I LIVED IN A SECTION 236 PROJECT, BUT I DO NOT REMEMBER THE NAME OF THE APARTMENT OR THE ADDRESS. IS THIS INFORMATION NECESSARY?

Yes, this is very important. Your eligibility is determined by where you lived between February 1, 1975 and September 30, 1977.

If you cannot remember the name and address, try the following:

1. Look up old rental agreements or leases.
2. Look up old checks, bills, and receipts.
3. Ask your friends.
4. Call your old apartment manager.

Tear here

8. DO I NEED TO FILL OUT A SEPARATE OFFICIAL CLAIM FORM IF I LIVED IN MORE THAN ONE SECTION 236 APARTMENT UNIT BETWEEN FEBRUARY 1, 1975 AND SEPTEMBER 30, 1977?

YES. You must fill out a separate Official Claim Form for each period you lived in a different Section 236 apartment *project* or for each period you lived in a different *unit* within a Section 236 apartment project. The Worksheet page of your Claim Form Packet explains this in detail.

9. WHERE CAN I GET ADDITIONAL CLAIM FORM PACKETS?

Ask your manager. If he does not have any more, you may:

Call collect: Claims Processing Center
(213) 625-1243

or write: Clerk of the United States District Court
Department TPT
P.O. Box 3613
Los Angeles, California 90051

10. WHO CAN PROVIDE ME WITH ADDITIONAL INFORMATION OR ASSIST ME IN COMPLETING THE OFFICIAL CLAIM FORM?

You might want to talk to the manager or ask your friends who have already completed an Official Claim Form. If a manager or friend is unable to assist you, you may:

Call collect: Claims Processing Center
(213) 625-1243

or write: Clerk of the United States District Court
Department TPT
P.O. Box 3613
Los Angeles, California 90051

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11. I AM A RELATIVE OF A DECEASED PERSON WHO APPEARS TO BE AN ELIGIBLE TENANT. WHAT CAN BE DONE ON BEHALF OF THE DECEASED TENANT?

If you are a relative of a deceased tenant, you may file an Official Claim Form on his behalf. You may, however, be asked for additional information about proof of your relationship to the deceased tenant or about your official capacity to act on his behalf.

12. IF SEVERAL PERSONS LIVED IN ONE APARTMENT DURING THE CLAIM PERIOD, WILL EACH OF THEM BE ELIGIBLE TO RECEIVE PAYMENTS?

No. Refund payments will be made only to one tenant in each household.

Tear here

INFORMACION DEL REEMBOLSO DE RENTA DEL SECTOR 236

PREGUNTAS Y RESPUESTAS PARA LOS INQUILINOS

1. ¿DE QUÉ SE TRATA LA DEMANDA?

En 1974, el Congreso de los Estados Unidos requirió que HUD (el Departamento de Viviendas y Desarrollo Urbano de los Estados Unidos) pagara los subsidios a los dueños de proyectos del Sector 236 para compensar los aumentos de costos de las utilidades e impuestos de propiedad. El Secretario de HUD rehusó autorizar los pagamentos. Entonces, muchos de los dueños de los proyectos pasaron los aumentos de utilidades e impuestos a los inquilinos en la forma de rentas aumentadas.

Algunas demandas por los inquilinos fueron iniciadas contra HUD para recoger algunos de estos aumentos. Los abogados que representan los inquilinos están en el proceso de administrar la distribución de los $60 millones del fondo del acuerdo a todos los inquilinos elegibles y algunos dueños elegibles.

2. ¿CÓMO SÉ SI SOY ELEGIBLE?

En general, Ud. será elegible para compartir en el reembolso de $60 milliones *si Ud. vivió en un proyecto del Sector 236 por cualquier periodo entre el 1° de febrero de 1975 y el 30 de septiembre de 1977 y cumplió con los quitas delingreso.* Su porcion actual del reembolso será determinada por (1) el proyecto del Sector 236 en el cual Ud. vivió, (2) cuánto tiempo que Ud. vivió en el proyecto; (3) la cantidad de renta que Ud. pagó realmente, (4) los subsidios de renta de los que Ud. se benefició, (5) el ingreso de su casa total, y (6) las utilidades que Ud. pagó.

Para determinar su propia elegibilidad Ud. debe completar la hoja de trabajo del paquete de la forma de reclamo.

3. ¿CUÁNTO DINERO RECIBIRÉ?

La cantidad que un inquilino elegible recibirá puede fluctuar dentro de unos pocos de dólares a algunos cientos de dólares. La cantidad actual dependerá en varios factores, incluyendo los cuales mencionados en Pregunta #2.

4. ¿CUÁNDO RECIBIRÁ EL DINERO SI SOY ELEGIBLE?

Los cheques de pago del arreglo serán enviados approximádamente en abril de 1980.

5. ¿CUÁL ES LA ÚLTIMA FECHA QUE PUEDO SOMETER LA FORMA OFICIAL DE RECLAMO?

Todas las formas de reclamos debe ser timbradas del correo antes del 15 de septiembre de 1979.

6. ¿RECIBIRÉ COMUNICACIÓN DE LOS ABOGADOS DESPUÉS DE SOMETER LA FORMA OFICIAL DE RECLAMO?

Ud. recibirá una carta *solamente si se ha determinado que Ud. no es elegible o si más información es necesaria.* Aparte de eso, no mas recibirá Ud. el cheque de pago del arreglo.

Tear here

7. ¿VIVÍ EN UN PROYECTO DEL SECTOR 236, PERO NO ME ACUERDO EL NOMBRE O LA DIRECCIÓN DEL APARTAMENTO. ¿ ES NECESARIO ESTA INFORMACIÓN?

Si, es muy importante. Su elegibilidad es determinada por dónde vivió dentro del 1° de febrero de 1975 y el 30 de septiembre de 1977.

Si Ud. no puede recordar el nombre y la dirección, trate lo siguiente:

1. Busque en los previos contratos de renta o los arriendos.
2. Busque en los previos cheques, las cuentas y los recibos.
3. Pregunte a sus amigos.
4. Llame por teléfono a su manejador del proyecto del Sector 236 en el cuál vivió.

8. ¿ES NECESARIO QUE LLENE OTRA FORMA OFICIAL DE RECLAMO SI VIVÍ EN MÁS DE UN EDIFICIO DE APARTAMENTOS DEL SECTOR 236, O MÁS QUE UN APARTAMENTO EN UN EDIFICIO DE APARTAMENTOS DENTRO DEL 1° DE FEBRERO DE 1975 Y EL 30 DE SEPTIEMBRE DE 1977?

Si. Ud. debe llenar una forma oficial de reclamo por cada período que Ud. vivió en un edificio diferente de apartamentos del Sector 236. También debe de llenar una forma oficial de reclamo por cada período que Ud. vivió en un apartamento diferente dentro de un edificio de apartamentos del Sector 236. La hoja de trabajo de su paquete de forma de reclamos explica esto en detalle.

9. ¿DÓNDE PUEDO OBTENER PAQUETES DE LA FORMA DE RECLAMO?

Pregunte a su manejador. Si el no tiene más, Ud. puede llamar a cobrar a:

Claims Processing Center
(213) 625-1243

o puede escribir a:

Clerk of the United States District Court
Department TPT
P.O. Box 3613
Los Angeles, California 90051

10. ¿QUIÉN PUEDE PROVEERME CON INFORMACIÓN ADICIONAL O ASISTIRME EN COMPLETANDO LA FORMA DE RECLAMO OFICIAL?

Si quiere Ud., habla con el manejador o pregunta a sus amigos los cuales que han completado una Forma de Reclamo Oficial. Si un manejador o un amigo no puede ayudarle:

Llame Ud.: Claims Processing Center
(213) 625-1243

o escriba a: Clerk of the United States District Court
Department TPT
P.O. Box 3613
Los Angeles, California 90051

11. ¿SOY UN PARIENTE DE UNA PERSONA MUERTA QUIÉN ME PARECE SER UN INQUILINO ELEGIBLE. ¿QUÉ PUEDO HACER EN NOMBRE DEL INQUILINO MUERTO?

Si Ud. es un pariente del inquilino muerto, Ud. puedo archivar una forma de reclamo en nombre de él. Es posible que Ud. tendrá que proveer su parentesco al inquilino muerto o su capacidad oficial para actuar en nombre de el.

12. ¿SI VARIAS PERSONAS VIVIERON EN UN APARTAMENTO DURANTE EL PERIODO DE RECLAMO, SERÁN ELEGIBLES, CADA UNO, PARA RECIBIR LOS PAGAMENTOS?

No. Los pagamentos de reembolso harán solamente a un inquilino en cada casa.

EXHIBIT 4

BEST COPY AVAILABLE

Water project benefits questioned

By BOB DUKE
Tribune Washington Bureau

WASHINGTON — Colorado Gov. Richard Lamm and New Mexico State Engineer Steve E. Reynolds today questioned whether the West would benefit from separate federal water project reform bills sponsored by President Carter and Sens. Pete Domenici and Daniel P. Moynihan.

In testimony before the Senate water resources subcommittee, Lamm and Reynolds indicated the existing program should be retained unless substantive changes were made in the proposed reforms.

If they had to make a choice, however, they said they might prefer the Domenici-Moynihan measure over the administration plan if the distribution formula were modified and other alterations made. Domenici and Moynihan, D-N.Y., testified in behalf of their proposal.

DOMENICI expressed willingness to amend his proposal to make it more palatable to Lamm and Reynolds. He maintained that the legislation would boost the amount of federal water project money going to the West and Northeast, while reducing the amount the South has been getting as a result of Congress' "pork barrel politics."

The Domenici-Moynihan bill would require states to provide 25 percent of the cost of water projects, with the federal government furnishing the other 75 percent. In contrast, President Carter's proposal would force the states to provide up to 10 percent of the cost, with the federal government putting up the rest.

However, the Domenici-Moynihan legislation would give the states more power to determine what water projects they want. Carter's proposal would continue the present system in which the federal government is the dominant partner.

To curb Congress' alleged pork barrel antics, the Domenici-Moynihan proposal would create a nine-member Water Resources Council, appointed by the president, to oversee federally-funded water projects.

THIS COUNCIL was one of Reynolds' main objections to the legislation. If pork barrel politics has been responsible for the inequitable distribution of federal water funds, he said, then the Domenici-Moynihan proposal, as written, might "simply roll the pork barrel to the White House."

Under Domenici's distribution formula, New Mexico would receive about $80 million for water projects compared with around $32 million now.

Committee to meet

The Middle Rio Grande Council of Governments' Transportation Coordination Committee will meet Friday to discuss progress on the North Valley River Crossing Study.

The committee will meet in the Otto Miller Conference Room at the Chamber of Commerce in the Albuquerque Convention Center at 9:30 a.m.

Committee members will also discuss progress on a development plan for the West Mesa, and talk about a long-range plan for Albuquerque area streets during the meeting.

The river-crossing study deals with a controversial proposal to span the Rio Grande with a new bridge north of I-40.

Volunteers honored

Senior citizens who do volunteer work will be honored during a brunch at 10 a.m. Wednesday in the First Presbyterian Church, 215 Locust N.E.

Participants in the Retired Senior Volunteer Program will be recognized.

More than 300 senior citizens who have donated more than 79,000 hours of work to the community will attend

HUD to refund $60 million to tenants for overcharges

The U.S. Department of Housing and Urban Development owes some of its present and former tenants $60 million for rent overcharges.

The problem is finding the people who lived in HUD-administered low-rent housing and who qualify for the rent refunds, Patricia Tenoso said today.

MS. TENOSO recently obtained an out-of-court settlement of $60 million for a class action suit she filed against HUD representing 250,000 to 750,000 tenants.

Ms. Tenoso, senior counsel of the Western Center on Law and Poverty, was in Albuquerque to launch a nationwide media blitz to inform potential claimants about the settlement.

Tenants who were overcharged lived in Section 236 government housing projects between February 1975 and September 1977.

OSUNA Apartments, 6000 Osuna N.E., is one of 11 such projects in Albuquerque, Ms. Tenoso said.

There are 1,345 separate apartments in the 11 housing projects in Albuquerque, and between 2,000 and 3,000 individuals and families may be entitled to a refund, she said. She refused to name the other affected housing projects.

Tenants were overcharged by HUD when the agency refused to use a $60 million fund set up by Congress for subsidies to low-income families living in Section 236 projects, Ms. Tenoso said.

THE AVERAGE overcharge was $15 a month, she said, and if a claimant lived in the project for the full 32 months covered in the settlement, he can get a rent refund of $300.

But most claimants don't know about the settlement or don't know they live in Section 236 housing projects, Ms. Tenoso stated.

The Western Center on Law and Poverty and legal aid societies are trying to reach claimants before the 60-day response period ends.

MS. TENOSO said she expects 40 percent to 50 percent of qualified people to apply for the refunds. Fraudulent claims will be prevented by extensive computer analysis and checks, she said.

The money will probably be sent to claimants in late spring 1980.

'Differential settling' cause of uranium tailing spill

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JOURNAL STAR, Peoria, Friday, August 3, 1979 C-1

150 Families May Be Eligible For Up To $500 Rent Refunds

Aug. 3, 1979

About 150 families who resided in Peoria's Pierson Hills and Urban Family Residences between Feb. 1, 1975, and Sept. 30, 1977, may be eligible for up to $500 in rent refunds resulting from the largest consumer class action suit ever made.

Also possibly qualifying are residents of subsidized housing projects in several area communities. Among them are Leisure Acres near Sunnyland, Prairie Land Townhouses in Galesburg, Williamsburg Townhouse No. 2 in Pekin, Lincoln Square in Normal, Lancaster Heights in Bloomington, Pin Oak in Wyoming and River Run in Macomb.

ONLY HOUSING projects under the Section 236 code are eligible. Section 236 housing is generally owned by corporations or private individuals and subsidized by federal programs. It is not government-owned housing.

As many as 750,000 tenants across the country are eligible if they paid excessive rents due to increases in tax and utility costs between the two dates, according to Patricia Tenoso, senior counsel, Western Center on Law and Poverty, Inc.

The $80 million out-of-court settlement, approved in March in U.S. District Court, ends a number of suits on behalf of Section 236 housing project tenants by legal service attorneys throughout the country.

DEFENDANT in the suit was HUD, which granted the increases to owners and managers of Section 236 housing projects. HUD consistently refused to honor a Congressional order to distribute funds to project owners and managers to subsidize increased costs, according to the suits. Tax and utility cost increases were instead passed on to tenants in the form of rent increases and the suit sought successfully to obtain refunds for tenants who were overcharged.

A massive direct mail and publicity campaign has been launched since the suit was settled in order to locate tenants who qualify. Many of them have since moved from the housing projects and did not leave forwarding addresses.

BILLY AMBROSE, executive director of Upgrade and manager of Pierson Hills, is handling local efforts to identify persons who are eligible for refunds.

Ambrose said this morning that HUD has been provided over 400 names of tenants or former tenants who might qualify. However, Ambrose estimated that only about 150 people will actually meet all of the qualifications.

"Not everybody who lived in the housing projects during that time is eligible," Ambrose explained. "Families on EHAB, rental supplement or Section 8, all forms of rental aid, are not eligible."

Ambrose said he submitted the names of 85 present tenants at Urban Family Residences and another 120 names of former tenants. In addition, he said the names of about 80 present tenants of Pierson Hills and about 180 names of former tenants were submitted to HUD.

Persons whose names were submitted will be contacted by HUD, Ambrose said, however there were many tenants who did not leave forwarding addresses. Persons who have not been contacted but feel they might be eligible should contact Ambrose or write to the Clerk of the U.S. District Court, Department TPT, P.O. Box 3613, Los Angeles, Calif., 90051.

Information can also be obtained by calling 213-625-1243 or 213-625-1244 collect.

Completion of distribution of the refunds is set for late spring of 1980.

APPENDIX

ADVERTISING & MKT RSCH.

MEMORANDUM

TO T. J. O'Shea

RE WESTERN CENTER ON LAW AND POVERTY, INC.
TAX AND UTILITY OPERATING SUBSIDY SETTLEMENT

REVIEW OF MARKET RESEARCH AND
ADVERTISING/PROMOTION PROPOSALS

We have reviewed and evaluated the eight proposals submitted to provide market research and/or advertising/promotion services.

Seven firms proposed to provide market research services. After detailed evaluations of these firms, we divided them into two groups. The first group represents those firms which were most responsive to the RFP and presented a comprehensive understanding of the problems and objectives. A secondary analysis was made of these firms and summarized in grid form (see attached).

The second group of proposals were judged to be less responsive or not to have demonstrated an understanding of the objectives or problems of the project. Attached is a listing along with a brief description of why the firms were placed in this group.

Five firms submitted proposals to provide advertising/promotion services. Each was evaluated in the same manner as the market research proposals. The results of the evaluation are attached.

The detailed preliminary evaluation made by G. Wong and N. Miller are contained in a file along with the respective proposal and are available for examination.

Presented to Council on 4/18 @ Status Mtg. Results in meeting memo on that mtg /

N. Miller/G. Wong
April 18, 1979

Attachments -
As above

WESTERN CENTER ON LAW AND POVERTY, INC.

TAX AND UTILITY OPERATING SUBSIDY SETTLEMENT

ADVERTISING/PROMOTION CONTRACTOR EVALUATION

After our initial evaluation, we classified Firm A, Firm B, AND Firm C as having a satisfactory understanding of and being sufficiently responsive to the Request for Proposal. The following firms were judged to be less responsive and to have demonstrated a lesser degree of understanding of the RFP:

Firm D - The proposer did not demonstrate an understanding of our problems and objectives. The proposal did not instill confidence in the proposer's ability to communicate. Proposer did not appear to have capability to reach major markets across the U.S. The proposal was basically a restatement of our RFP.

Firm E Proposer relied heavily on contracted services in all phases.

WESTERN CENTER ON LAW AND POVERTY

TAX AND UTILITY OPERATING SUBSIDY SETTLEMENT

ADVERTISING/PROMOTION CONTRACTOR EVALUATION SUMMARY

EVALUATION \ FIRM	A	B	C
General comments on proposal.	Well written, offers many alternatives. Demonstrates ability to reach major U.S. markets. Highest fee structure, and will bill 17.65% premium on purchased outside services.	Very well written. Thorough understanding of our objectives and the nature of the target groups. Does not cite plan for reading major markets in U.S. Account executive would have to be hired.	Written proposal was not responsive. However, Western Regional Director called three times to express interest and desire to pursue engagement. It should be noted that the Western Regional Director is a Mexican American and this accounts for this deep interest. [redacted] is the world's largest agency and has tremendous media "clout" in all major markets.
Proposed media mix.	Public service announcements - TV and radio. Newspaper campaign. Poster campaign. Public relations campaign.	Determined by regions utilizing TELMAR. FASTAB (Target Group Index).	None cited.
Unique media approaches proposed.	Commitment to posters where Section 236 tenants tend to congregate.	Support use of nontraditional media - backed by heavy experience in promoting several statewide ballot propositions.	None cited.
Method of determining proper media mix for given region.	None outlined.	Computer based Target Group Index.	None outlined.
Network for reaching major markets.	Member of network of affiliate agencies with offices in 40 U.S. markets.	Not stated.	Offices in all major U.S. markets.
Public relations work.	Publicist on staff.	To be engaged.	Publicist on staff. (3rd largest public relations firm in U.S.)
Relevant experience with low income/elderly/ethnic minority target groups.	Hispanics, Blacks, Senior Citizens.	Statewide ballot measures.	None cited.
Personnel.	Personnel designated. Adequate senior personnel committed.	Some personnel designated, others to be engaged. Adequate senior personnel committed.	None cited.
Fee structure.	Base fee $210,000. Outside services billed at net +17.65%.	Base fee $150,000. All other services billed at net cost.	Base fee $150,000. All other services billed at net cost.

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In keeping with the narrative organization of the paper, this bibliography of sources cited is arranged in chronological order.

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